



ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R09-OAR-2012-0513; FRL-9721-3]

Approval of Air Quality Implementation Plans; California; South Coast Air Quality Management District; Prevention of Significant Deterioration; Greenhouse Gases

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing approval of a permitting rule submitted for the South Coast Air Quality Management District (District) portion of the California State Implementation Plan (SIP). The State is required under Part C of title I of the Clean Air Act (CAA or Act) to adopt and implement a SIP-approved Prevention of Significant Deterioration (PSD) permit program. This SIP revision proposes to incorporate District Rule 1714 - Prevention of Significant Deterioration for Greenhouse Gases, into the SIP to establish a PSD permit program for pre-construction review of certain new and modified major stationary sources that emit or may emit greenhouse gases (GHGs). Because the State does not currently have a SIP-approved PSD program within the District, the District will continue to be subject to the Federal Implementation Program (FIP) for pollutants other than GHGs that are also subject to the PSD program. Currently,

the District issues PSD permits according to the FIP through a delegation agreement with EPA. We are soliciting public comments on this proposal and plan to follow with a final action after consideration of comments received.

DATE: Any comments must be submitted no later than [Insert date 30 days from the date of publication in the Federal Register].

ADDRESSES: Submit comments, identified by docket number EPA-R09-OAR-2012-0513, by one of the following methods:

1. Federal eRulemaking Portal: www.regulations.gov. Follow the on-line instructions.
2. E-mail: R9airpermits@epa.gov.
3. Mail or deliver: Gerardo Rios (Air-3), U.S. Environmental Protection Agency Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

Instructions: All comments will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Information that you consider to be CBI or otherwise protected should be clearly identified as such and should not be submitted through www.regulations.gov or e-mail. www.regulations.gov is an "anonymous access" system, and

EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send e-mail directly to EPA, your e-mail address will be automatically captured and included as part of the public comment. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment.

Docket: The index to the docket for this action is available electronically at www.regulations.gov and in hard copy at EPA Region IX, 75 Hawthorne Street, San Francisco, California. While all documents in the docket are listed in the index, some information may be publicly available only at the hard copy location (e.g., copyrighted material), and some may not be publicly available in either location (e.g., CBI). To inspect the hard copy materials, please schedule an appointment during normal business hours with the contact listed in the **FOR FURTHER INFORMATION CONTACT** section below.

FOR FURTHER INFORMATION CONTACT: Lisa Beckham, Permits Office (AIR-3), U.S. Environmental Protection Agency, Region IX, (415) 972-3811, beckham.lisa@epa.gov.

SUPPLEMENTARY INFORMATION: Throughout this document, "we," "us" and "our" refer to EPA.

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I. The State's Submittal

A. What rule did the State submit?

Table 1 lists the rule on which we are proposing action along with the dates on which it was adopted by the District and submitted to EPA by the California Air Resources Board (CARB).

TABLE 1--SUBMITTED RULE

Local Agency	Rule #	Rule Title	Adopted	Submitted
SCAQMD	1714	Prevention of Significant Deterioration for Greenhouse Gases	11/5/2010	12/30/2010

CAA section 110(k)(1)(B) requires EPA to determine whether a SIP submittal is complete within 60 days of receipt. The December 30, 2010 SIP submittal package was considered complete on March 22, 2011 according to the criteria in Appendix V to 40 CFR Part 51.

B. Are there other versions of this rule?

There are no previous versions of Rule 1714 in the California SIP. The District originally adopted Rule 1714 on November 5, 2010 and it has not been revised since that date.

C. What is the purpose of the submitted rule?

Section 110(a) of the CAA requires states to adopt and submit regulations for the implementation, maintenance and enforcement of the primary and secondary NAAQS. Specifically, section 110(a)(2)(J) requires the state's plan to meet the applicable requirements of section 165 relating to a pre-construction permit program for the prevention of significant deterioration of air quality and visibility protection. The purpose of District Rule 1714 - Prevention of Significant Deterioration for Greenhouse Gases is to implement a pre-construction PSD permit program, as required by section 165 of the CAA, for certain new and modified major stationary sources that emit or may emit GHGs. Currently, EPA is the PSD permitting authority within the District because the State does not have a SIP-approved PSD program. However, pursuant to 40 CFR 52.21(u), the District currently issues PSD permits through a delegation agreement between EPA and the District. The District determined that this delegation agreement does not extend to GHGs, so EPA currently administers the GHG portion of 40 CFR 52.21 within the

District. Approval of Rule 1714 into the SIP will transfer PSD permitting authority for GHGs from EPA to the District. Rule 1714 would apply only to sources that trigger the PSD program for GHGs. For pollutants other than GHGs that trigger the PSD program, the District will continue to administer the PSD program under the criteria and procedures in the delegation agreement, 40 CFR 52.21, and Part 124 (including the opportunity to petition for review by EPA's Environmental Appeals Board). Upon approval of the District's PSD SIP revision for GHGs, EPA would continue its role of overseeing the District's entire PSD permitting program, including both the delegated program for non-GHG pollutants and the SIP-approved portion for GHGs.

II. EPA's Evaluation and Action

A. How is EPA evaluating this rule?

The relevant statutory and regulatory provisions for our review of the submitted rules include CAA sections 110(a), 110(l), and 165 and 40 CFR 51.166. Section 110(a) requires, among other things, that SIP rules be enforceable, while section 110(l) precludes EPA approval of SIP revisions that would interfere with any applicable requirements concerning attainment and reasonable further progress. Section 165 of the CAA requires states to adopt a pre-construction permitting program for certain new and modified major stationary sources located in

attainment or unclassifiable areas. 40 CFR 51.166 establishes the specific requirements for SIP-approved PSD permit programs that must be met to satisfy the requirements of section 165 of the CAA.

B. Does the rule meet the evaluation criteria?

With some exclusions and revisions, Rule 1714 incorporates by reference EPA's PSD permit program, as it pertains to GHGs, at 40 CFR 52.21. We generally consider EPA's PSD permit program at 40 CFR 52.21 to be consistent with the criteria in 40 CFR 51.166. However, we conducted a review of Rule 1714, including additional clarifications regarding procedural requirements provided by the District in a letter to EPA dated August 15, 2012, to ensure that all requirements of 40 CFR 51.166 are met as they pertain to GHGs. Our evaluation is available as an attachment to the technical support document (TSD) for this rulemaking. We also reviewed the revisions the District made to 40 CFR 52.21 that were incorporated by reference into Rule 1714, such as revising certain terms and definitions to reflect that the District, rather than EPA, will be the PSD permitting authority. Based on our review of Rule 1714 and the clarifications in the District's letter of August 15, 2012, we are proposing to find the SIP revision acceptable under CAA sections 110(a), 110(l) and 165 and 40 CFR 51.166.

EPA's TSD for this rulemaking has more information about this rule, including our evaluation and recommendation to approve it into the SIP.

C. Public comment and proposed action.

Because EPA believes the submitted rule fulfills all relevant requirements, we are proposing to fully approve it as a revision to the SIP pursuant to section 110(k)(3) of the Act. Specifically, we are proposing to approve District Rule 1714 - Prevention of Significant Deterioration, as adopted by the District on November 5, 2010 and submitted by CARB on December 30, 2010.

We will accept comments from the public on this proposal until [Insert date 30 days from the date of publication in the Federal Register].

III. Statutory and Executive Order Reviews

Under the Clean Air Act, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, EPA's role is to approve State choices, provided that they meet the criteria of the Clean Air Act. Accordingly, this proposed action merely approves State law as meeting Federal requirements and does not impose additional requirements beyond those imposed by

State law. For that reason, this proposed action:

- is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those

requirements would be inconsistent with the Clean Air Act;
and

- does not provide EPA with the discretionary authority to address disproportionate human health or environmental effects with practical, appropriate, and legally permissible methods under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the State, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Greenhouse gases, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping requirements.

Authority: 42 U.S.C. 7401 et seq.

Dated: August 16, 2012.

Alexis Strauss,
Acting Regional Administrator,
Region IX.